

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Implement the  
California Renewables Portfolio Standard  
Program.

Rulemaking 04-04-026  
(Filed April 22, 2004)

**ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE'S  
RULING REQUIRING SUBMISSION OF RPS PROCUREMENT PLANS,  
DRAFT REQUESTS FOR OFFERS, AND TRANSMISSION RANKING  
COST REPORTS FOR 2006**

**1. Background**

In Decision (D.) 05-07-039, the Commission approved the 2005 Renewables Portfolio Standard (RPS) procurement plans and requests for offers (RFOs) of Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E). In D.05-10-014, the Commission reviewed and conditionally approved the long-term RPS plans of the three utilities. In both decisions, the Commission required certain changes and supplementation to the submitted plans and identified several issues that the utilities would need to address in their plans in 2006. These include:

- better analysis of available renewable resources;
- more complete discussion of transmission planning;
- more specific analysis of repowering of wind facilities currently under contract to the utility;
- any need to guard against shortfalls of planned deliveries by procurement greater than the 1% annual incremental procurement target (IPT); and

- identification of potentially significant impediments to RPS compliance and contingency planning addressing the identified impediments.

## **2. Requirements for 2006 Procurement Plans and RFOs**

To improve the comparability of the utilities' plans and to increase consistency between short-term and long-term RPS planning, we set forth certain elements that must be included in all 2006 RPS procurement plans (and draft RFOs, as appropriate). We expect the treatment of these topics to be informed by the supplements to the 2005 long-term plans filed by the utilities as required by D.05-10-015 and the planning they are undertaking for filing long-term procurement plans in R.04-04-003. The utilities are free to include other topics and are not required to address these topics in the order given here.

1. Analysis of transmission issues related to the 2006 plans, including:
  - a. Lessons learned from the inclusion in 2005 of delivery to any point in the CAISO control area and of bids having curtailability as an attribute;
  - b. Discussion of any needed transmission upgrades, not yet completed, that will affect 2006 RPS procurement; and
  - c. Discussion of any transmission issues that may affect 2007 planning.
2. Express terms in RFOs allowing bids having curtailability as an attribute and bids proposing delivery at any point in the CAISO control area.<sup>1</sup>

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<sup>1</sup> In accordance with D.05-07-039, SCE may – but is not required to – restrict in-territory bidders to in-territory delivery points.

3. Analysis and justification of any proposed contract terms that would become effective upon implementation of CAISO market redesign.
4. Analysis of lessons learned from 2005 solicitations with respect to other contract terms, including but not limited to bid deposits, notification of rejected bidders, and the timing and length of negotiations with short-listed bidders, with discussion of any proposed charges.
5. Proposals and discussion of a possible firm deadline for submission of contracts for Commission approval.
6. Analysis and discussion of IPTs for 2006 that are greater than the 1% increment required by statute, as a margin of safety for meeting the 2010 RPS goals. The analysis should be based on experience with RPS solicitations to date; the utilities' long-term plans; transmission planning; resource availability estimates; and any other relevant experience. Based on prior comments in this proceeding, we the utilities should use a presumptive IPT for 2006 of 1.2%. If relevant, a utility may propose a different IPT for 2006 and present an analytic justification for using that IPT rather than a 1.2% IPT.
7. Analysis of RPS-eligible renewable generation resources that are likely to be available by 2010 and could be acquired by solicitation in 2006
  - a. In the utility's service territory; and
  - b. Outside the utility's service territory.

The basis of the analysis should be clearly and fully explained.

8. Discussion of specific plans for procuring electricity from repowered wind projects, including but not limited to:
  - a. Repowered wind resources likely to be available in 2006;

- b. Impediments, if any, to procuring in 2006 at least 50% of the repowered wind resources likely to be available; and
  - c. Relationship of 2006 plans for repowered wind resources to goals for repowered wind resources by 2010.
9. Any other issues emerging from 2006 planning that may have an impact on the utility's ability to meet the 2010 goals.

The utilities should organize their procurement plans to maximize the amount and quality of information and analysis that is publicly available.

### 3. Schedule

The schedule for submitting 2006 procurement plans and draft RFOs, and commenting on the reporting issues is as follows:

2006 RPS procurement plans and draft RFOs filed	12/22/05
Comments on plans and draft RFOs filed	1/17/06
Reply comments on plans and RFOs filed	1/31/06

The schedule for submitting 2006 transmission ranking cost reports (TRCRs)<sup>2</sup> is as follows:

Letters requesting information for TRCRs mailed	during 1/06
Draft TRCRs filed	3/15/06
Comments on draft TRCRs filed	4/4/06
Reply comments on draft TRCRs filed	4/18/06

**IT IS RULED** that:

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<sup>2</sup> The TRCR methodology is one topic to be considered in I.05-09-005, the Commission proceeding addressing transmission for renewable energy resources. This schedule assumes that no changes to the TRCR methodology will emerge from I.05-09-005 prior to the time TRCRs are needed for the 2006 RPS solicitations.

1. Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall submit their 2006 Renewables Portfolio Standard (RPS) procurement plans and draft requests for offers (RFOs) according to the schedule set forth above.

2. PG&E, SCE, and SDG&E shall include in their 2006 RPS procurement plans and draft RFOs at least the information and analysis described in Section 2, above.

3. PG&E, SCE, and SDG&E shall produce and submit their 2006 draft transmission ranking cost reports according to the schedule set forth above.

Dated November 9, 2005, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey  
Assigned Commissioner

/s/ ANNE E. SIMON

Anne E. Simon  
Administrative Law Judge

## **CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner and Administrative Law Judge's Ruling Requiring Submission of RPS Procurement Plans, Draft Requests for Offers, and Transmission Ranking Cost Reports for 2006 on all parties of record in this proceeding or their attorneys of record.

Dated November 9, 2005, at San Francisco, California.

/s/ FANNIE SID  
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Fannie Sid

## **N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.